

Syariapreneur: The New Paradigm of Islamic-Based Entrepreneurship

Juliana Juliana¹, Ropi Marlin², Udin Saripudin³ and Husnul Khatimah⁴

¹*Economics and Islamic Finance Department, Universitas Pendidikan Indonesia, Jl. Dr. Setiabudhi, Bandung, Indonesia*

²*STIE DR. Khez Muttaqien, Purwakarta, Indonesia*

³*STAI Bhakti Persada Bandung, Kabupaten Bandung, Indonesia*

⁴*Universitas Islam 45 Bekasi, Bekasi Indonesia*

julian@upi.edu, ropimarlina@gmail.com, udin_saripudin27@yahoo.co.id, husnulkh73@gmail.com

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Abstract: One of the important problems facing Indonesia is the low ratio of employers. This research attempts to construct the concept of entrepreneurship in Islamic perspective to overcome the problems of increasing aspect of entrepreneurship. Entrepreneurship that uses Islamic values by writers is called shariapreneur. Shariapreneur is meant as an activity in order to seek God's gifts by devoting all the capabilities possessed in hopes of obtaining his blessings in the form of profit both material and non-material. Shariapreneur is different from the conventional (capitalist) Entrepreneurship. The method used in this study is qualitative with literary review approach taken from several sources, both books and related scientific journals. This method is used to elaborate the model of shariapreneur. Muslim entrepreneur should make his religion as a guidance in working so that he is freed from desire to justify any means. Islam encourages its followers to become entrepreneurs as outlined by Allah in the Qur'an and Sunnah. Every type of Islamic entrepreneurship should be based on *aqidah*, shari'a and morals. This study disagrees with Baumol, and Dew and Sarasvathy, in general they say entrepreneurship tends to engender negative impacts. This study shows that entrepreneurship can be detrimental to socially. Moreover, they show that the opportunistic soul in entrepreneurship can encourage corrupt behavior as well as exploitative behavior.

1 INTRODUCTION

Developed countries are countries that have at least 2% of the entrepreneur ratio from the total population. That statement was delivered by David (1969) in his research (Ciputra, 2007). David Mc Cleland said, to make the economy of a country tough, the number of employers should be at least 2% of the population, or about 4.8 million entrepreneurs from the population of Indonesia, amounting to 240 million people.

Many studies have found that there will be more entrepreneurs if people have high entrepreneurial values and become cultures (Davis, 2010). The best community is a society that has a large number of entrepreneurs. In addition Gupta and Srinivasan say that a poor country is not caused by lack of resources, but does not have enough number of good entrepreneurs (Gupta, 1992). Further Schumpeter (1934) and Matlay (2005) said the activities of qualified entrepreneurs will accelerate the economic development of a country.

It is therefore not surprising that entrepreneurs are referred to as factors of production (Glancey, 2000), as innovators (Schumpeter, 1934), change agents, and catalytic agents of change (Young, 1987). Even further according to Schumpeter (1934) and Azim (2011) entrepreneurs are said to have a role as an engine of economic growth, minimizing the gap (Leibenstein, 1978) and strategic decision makers (Knight, 1921) in the process of industrialization of a country. Entrepreneurs are the only active agents that utilize technology, manage resources and business initiatives to exploit business opportunities (Azim, 2011).

Yusof and Pangil (2005) state that there are four reasons why entrepreneurs are important in society, namely: First, To utilize producing factors such as land, capital, technology, information and human resources (HR) producing effective tasks. Second, Identify opportunities in the environment by increasing activities that will benefit everyone (beneficial to everyone). Third, To choose the best

approach in utilizing all production factors to minimize waste in various entrepreneurial activities (minimize wastage in entrepreneurial activities). Fourth, For the benefit of future generation (Frinces, 2010).

The importance of entrepreneurship in society is not just a 'tool' to make improvements and changes in the quality of life itself and society, but also entrepreneurship is also proven to play a significant role in realizing the quality of self-society and nation (Frinces, 2010). So with the existence of entrepreneurs, they can be able to change the character of society into a modern, creative and innovative society.

Another proof of the importance of entrepreneurship is reinforced by the results of a study by Peter F. Drucker in his book entitled *Innovation and Entrepreneurship* that Ciputra dictated (Saturday, 21 February 2009) in his article on SK Indopos under the title 'Job Creation Solution in the Middle of Global Crisis' that entrepreneurs have a big role in creating employment in the United States (US) within the period 1965-1985 while at that time the US economic conditions are very unfavorable which is called by Drucker as the -nogrowth economy. Drucker said, as quoted by Ciputra (2009) as "In no other peace time period has the United States created as many new jobs, whether measured in percentage or in absolute number" (Frinces, 2010).

The existence of entrepreneurs in Indonesia in fact according to the Indonesian Business Incubator Association (AIBI) that the number of new entrepreneurs Indonesia amounted to 0.18 percent or 400,000 people, whereas the ideal number should be above 4.4 million people (Frinces, 2010). This is certainly far behind the United States which has reached 11.5 percent of the population are entrepreneurs, China 10 percent, Japan 8 percent, Singapore 7.2 percent and Malaysia 4 percent (Ihsan, 2013). Whereas, the number and the quality of entrepreneurs in a country proved to contribute to increase income per capita. For example, in Singapore, the number of entrepreneurs who make up 7 percent of the population makes per capita income of 40,920 US \$. Malaysia whose entrepreneurs account for 3 percent of the population, each capita income reaches 7,900 US \$. While Indonesia with the number of entrepreneurs as much as 0.24 percent, but each capita income only 2580 \$ (Afiff, 2012).

Based on the above description, it is important to answer the question what and how the Islamic view of entrepreneur? The questions above attract the interest of the author to conduct a study, with qualitative methods through the literature review

approach. Further formulate it in the form of appropriate strategies and policies in the economic activities of Muslims and the general public

2 PREVIOUS RELEVANT RESEARCH

Few previous studies relevant to this study are as follows: Islam and entrepreneurship (an idea in fostering the spirit of Muslim entrepreneurship) (Maloko, 2012). In this journal, Thahir says a Muslim entrepreneur must make his religion a guidance in working so that he is liberated from the end justifies any means. In addition, Tharir in his writings say Islam has a basic nature that encourages people to entrepreneurship.

'Entrepreneurship From an Islamic Perspective', Ali Aslan Gumusay (2014). This study discusses the role of religion in entrepreneurship. In this study, Aslan views entrepreneurship in an Islamic perspective or in short Entrepreneurship Islamic Prespectiv (EIP). According to him, EIP is based on three fundamental pillars: entrepreneurship, socio-economic/ethical, and religious-spiritual. Aslan explains how Islam is able to shape entrepreneurship on a micro and macro level, in this study demonstrating how Islam can be regarded as a very encouraging religion in the field of entrepreneurship. In addition, the research results show that Islam is possible and able to encourage entrepreneurial activities with a model called interlinking Islam with entrepreneurship.

Entrepreneurial Culture in Perspective of Islamic Studies on Employees Cooperative Kakitangan Angkasa Berhad (Kokita), Selangor, Malaysia. Zulkifli et al. (2013). According to Islam is a religion that covers all aspects of life. Islam advises its followers to become entrepreneurs as outlined by Allah in the Qur'an and Sunnah which is the main source in educating people to live better, especially in carrying out commercial transactions (mu'amalat)

The same thing is said by Charles Mitchel (Syaitori, 2014) and Naqvi (1994) which states the influence on business strategy can be much greater than expected. The religious philosophical dominance in culture has a major impact on one's approach in business even if the person is not a devout follower of religion. Furthermore they say the value of religion and morality is a basic human need to regulate the behavior of his life (Naqvi, 1994).

On the contrary, those that explain that entrepreneurial behavior has no effect on welfare and

even tend to give negative impact. These studies show that entrepreneurship can actually be a disastrous socialite. For example, Baumol (1968) suggests that opportunistic entrepreneurship generating rents can encourage corrupt behavior and exploitative behavior because the possession of the rich is forcibly taken over by the kingdom. In addition, entrepreneurial innovation can lead to "loss and hardship for some members of society" because entrepreneurship is "destroying the welfare of multiple stakeholders even creating new welfare among other stakeholders".

Even further (Weber, 1963) says that Islam is an economic barrier and a barrier to prosperity and fulfillment of human ambition, potential and prosperity (Faizal, 2013) claims that Islam has a tendency to hinder development, as well as McClelland (1961) Islam is generally low in achievement.

The study also disagrees with George (1990), he stated in Business Ethic, the myth of amoral business believes that behavior can not synergize with the moral aspect. Between business and morals there is no connection whatsoever and hence, it is a mistake if business activity is judged by using a morale benchmark (Hafidz, 2012).

3 ISLAM, ENTREPRENEURSHIP AND SYARIAHPRENEUR

Islam is a religion that provides guidance for the welfare of human life in the world and the hereafter. The Qur'an clearly invites people to work to live in this world, especially in the field of commerce and entrepreneurship which is regarded as the noblest profession of the Prophet Muhammad's legacy. In other words Islam recommends that every Muslim to be an entrepreneur (Mentzer, 1988). Employers will always be a major contributor to economic growth through dynamic leadership and efficient management. Muslim entrepreneurs must have business skills, as the best Muslim entrepreneur, Prophet Muhammad (saw) (Zulkifli, 2013).

There are many verses in the Qur'an and descriptions of hadith that explicitly praise entrepreneurial activity and entrepreneurial ethics (Rasem, 2006). Siddiqi (1979) states that the goal of Muslim entrepreneurs in terms of entrepreneurship is to realize *falah* and provide social services to the wider community.

Beg explains that Islam not only motivates Muslims to become entrepreneurs, but in fact it is mandatory for them to work hard and get *falah* out of

their urgent need to care for society and Muslims in general (Beg, 1979). As for Sadeq emphasizes that entrepreneurship in Islam is highly respected, and expressly states that Islam not only provides incentives but also a conducive framework for economic development and entrepreneurship (Sadeq, 1997).

Entrepreneurship is one factor that can change the economic landscape of a country (Zulkifli, 2013). Penrose defines entrepreneurship as an activity that involves and identifies opportunities in the economic system. While Stevenson and Jarillo mention entrepreneurship is a process whereby individuals themselves try optimally to pursue opportunities (Stevenson, 1990). While Shapero mentions that entrepreneurship is regarded as something that has the ability to allow developed countries to grow and create new jobs (Shapero, 1975).

The entrepreneurship is one of many aspects in life that have also been discussed in the Qur'an and Hadith. Islam is a *kaffah* religion which views that there is no separation between entrepreneurial and religious activity. This perspective is certainly different from the conventional entrepreneurship perspective that still embraces capitalist patterns, where in their paradigm, economic activity (entrepreneurship included) is not associated with religious values. This paradigm is often also referred to as secularism, namely the idea of separating religion from life, religion is only placed in the realm of the individual nature only.

Unlike the case with Islamic entrepreneurship, the concept of Islamic entrepreneurship has its own uniqueness with its principles based on the Qur'an and Sunnah. Prophet Muhammad SAW explicitly and clearly teaches that a Muslim entrepreneur initiating entrepreneurship must be solely because of Allah (Zulkifli, 2013). Where one of the goals of entrepreneurship in the Islamic perspective is not only the pursuit of material gain alone. Islam as a religion and ideology also has a unique view of the value of action. One of the values of action that can be achieved between seeking *falah* and blessing. The blessing intended means is to carry out all business activities based on the command and prohibition from Allah SWT, so in practice his business does not justify various ways. This is because Islam has arranged for a legitimate livelihood or *rizqi*, one of which is in the form of entrepreneurship.

Aziz stated that all economic functions in Islamic economics have been regulated through the concept of livelihood (*al-Rizq*) in a lawful way and not through unlawful means (Aziz, 2011). further according to Aziz the term *al-Rizq* is applied to the

connotations of livelihoods and further means of production, which have been exemplified by Prophet Muhammad SAW and have been determined by Allah SWT. One way to get the right *rizki* is through entrepreneurial activities. Islam is one religion that tries to encourage people to become entrepreneurs (Nazamul, 2014). Islam encourages people to always seek the gift of God. This is because Islamic teachings are very much in harmony with business and entrepreneurship (Yasmin, 2012).

Based on that the authors state that the entrepreneurship of Islam by the author is called the model of shariapreneur. It is based on the word entrepreneur who has the meaning of entrepreneurship while sharia is one important part in the teachings of Islam.

Therefore, Shariapreneur interpreted as an activity in order to seek God's gift by devoting all the capabilities possessed in the hope of obtaining a blessing in the form of profit both material and non-material. It is intended that in the concept of shariapreneur able to balance the world and the hereafter.

4 CONCLUSIONS

Based on the above study can be concluded that Islam is a religion that is very supportive to entrepreneurship. This is proofed by some verses in the Qur'an and the hadith which is directly or indirectly, encourages a Muslim to work for the grace of God. Working as an entrepreneur is the noblest profession taught by Prophet Muhammad SAW. Prophet Mohammed firmly and clearly teaches that a Muslim businessman in starting an entrepreneur must start with the sole intention of God. In addition, Islam strongly recommends that every Muslim become an entrepreneur. This is in contrast to previous research which says Islam is a rigid and difficult religion to develop entrepreneurship.

In addition, the findings in this study stated that the shariapreneur has a new concept different from conventional entrepreneurship. Islam entrepreneurship which further by the writer referred to as syarihprenneur has a characteristic that is always based on the Qur'an and Sunnah. Shariapreneur interpreted as an activity in order to seek the gift of God by devoting all the capabilities possessed in the hope of obtaining blessings in the form of benefits both material and non-material.

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